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June 25, 2008

VIA ECF

Hon. P. Kevin Castel
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St., Room 2260
New York, NY 10007

RE: Travelers Property Casualty Co. of America a/s/o Bernd Goeckler
Antiques v. Godfrey's Refrigeration
Case No.: 08-cv-4050
File No.: 6777

Dear Honorable Sir:

Kindly allow the following correspondence to serve as a joint letter to the Court prior to our Initial Conference scheduled on June 27, 2008 at 12:15 pm before your Honor.

1. Brief Description of the Case

This is a property damage subrogation action. The Plaintiff Travelers Property Casualty Co. of America insured Bernd Goeckler, a high-end antiques retailer located at 30 East 10th Street, NY NY. On July 15, 2005, the aforementioned store sustained water damage due to an alleged defectively installed electric steam humidifier. The subject steam humidifier was installed by the named defendant Godfrey's Refrigeration. Plaintiff has alleged that the defendant was hired by Bernd Goeckler Antiques to install a steam humidifier only a short time prior to the date of the water damage. It is further alleged that the defendant failed to follow the manufacturer's recommendations in the installation of this device and made several modifications for this humidifier to fit in the space it was installed. Due to faulty installation of this unit, a water leak originated in a hot water supply line causing approximately \$130,000 in property damage to the Bernd Goeckler store.

Defendant contests liability and the extent of the damages.

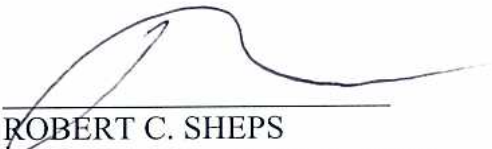
2. Contemplated Motions

At this time, no motions are presently contemplated. Plaintiff believes settlement is possible.

3. Prospect for Settlement

At this time, Plaintiff has exchanged its damage documentation and it is currently being reviewed by Defendant. The parties are hopeful this matter will settle, though at this time it is premature to make that determination.

Very Truly Yours,
SHEPS LAW GROUP, P.C.



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